1. Executive Summary

1.1 State Environmental Policy Act Process Overview

1.1.1 Introduction

The Washington State Department of Natural Resources (the department) recognizes the importance of the State Environmental Policy Act (SEPA) to the process for writing the *Policy for Sustainable Forests*, formerly the *Forest Resource Plan*. The environmental impact statement (EIS) process provides opportunities for other agencies, stakeholders, the Tribes and the public to participate in developing and analyzing information. This process, as detailed in chapter 197-11 WAC, ensures that the Board of Natural Resources understands the environmental consequences of its decisions and considers mitigation of probable significant adverse environmental impacts when making these decisions.

The EIS process includes:

- Scoping;
- Preparing a draft EIS, which analyzes the probable impacts of a proposal and reasonable alternatives;
- Issuing a draft EIS for review and public comment;
- Preparing a final EIS, which includes analyzing and responding to comments received on the draft EIS;
- Issuing a final EIS; and
- Using a final EIS in decision-making.

1.1.2 Alternatives

The focus of a draft EIS is to analyze a range of reasonable alternatives, to assess their probable significant adverse environmental impacts and to identify mitigation measures to avoid or minimize adverse environmental impacts.

Alternatives are one of the basic building blocks of an EIS. They present meaningful options for the Board of Natural Resources' decisions. Policy changes being considered by the Board of Natural Resources are defined in the set of reasonable alternatives described in Chapter 3 of this Draft EIS. All of these alternatives represent different policy choices, which are consistent with the purpose and need for updating the *Forest Resource Plan*. The alternatives incorporate information gathered and issues raised through the SEPA scoping process.

This draft EIS includes a preliminary department staff-recommended alternative for the Board of Natural Resources to consider for each policy subject area. Each recommended alternative has been developed based on its ability to most fully meet the Policy Objectives (see Section 1.2.3), while avoiding or minimizing significant adverse environmental impacts. While most policy subject areas help achieve several policy objectives, none of the policy subject areas alone address all of the policy objectives. However, the alternatives were determined to meet the purpose and need of the *Policy for Sustainable Forests*. The primary policy objectives addressed by policy subject area are identified within each of the policy subject areas and alternatives discussions. Comments received from interested individuals and stakeholders during scoping were considered as the alternatives were developed.

1.1.3 Non-Project Proposal

The *Policy for Sustainable Forests* is a "non-project action" under SEPA. Non-project (also called programmatic) actions include the adoption of plans, policies, programs or regulations that contain standards controlling the use of the environment or standards that will guide future actions. Future site-specific management decisions on forested state trust lands will be guided by the policies developed during this process. The probable significant adverse environmental impacts analyzed in a non-project EIS are those impacts foreseeable at this stage, before specific project actions are planned.

1.1.4 Scoping

Scoping initiates public involvement in the SEPA process. It has three purposes: to narrow the focus of the EIS to significant environmental issues; to eliminate issues that would have insignificant impacts or that are not directly related to the proposal; and to help identify reasonable alternatives, consistent with the purpose and need of the proposed decision, to be analyzed in the EIS.

The scoping process alerts the public, the project proponent and the lead agency to areas of concern and potential controversy early in the process. Here, the department is both the project proponent and the lead agency.

The SEPA process for the *Forest Resource Plan* update was formally initiated with the scoping notice published on March 15, 2004. This was followed by a series of seven public workshops held between March 22 and April 1, 2004 in Mount Vernon, Seattle, Port Angeles, Longview, Lacey, Ellensburg and Spokane. The formal SEPA scoping period ended on May 17, 2004. Many interested individuals and stakeholders attended these public workshops and provided oral testimony. In addition to comments received at these public workshops, the department received written scoping comment letters and met with several key stakeholders.

1.1.5 Decisions to be Made

After this Draft EIS has been issued, the department will hold a series of seven public hearings in Lacey, Mount Vernon, Port Angeles, Longview, Bellevue, Ellensburg and Spokane. The public hearings are scheduled for May 3 through 11, 2005.

It is anticipated that many interested individuals and stakeholders will attend these public hearings and provide comments to the department on this Draft EIS. Those comments will be reviewed and responded to in the Final EIS, which is expected to be released in August 2005.

The Final EIS will provide necessary information that the Board of Natural Resources will use in deciding which policies will be adopted in the *Policy for Sustainable Forests*. Upon the Board of Natural Resources' approval of the *Policy for Sustainable Forests*, the department will have an updated set of working policies to guide its management of 2.1 million acres of forested state trust lands. The department will then update any other applicable department policies and procedures based on direction provided in the adopted policies.

1.2 Purpose and Need

1.2.1 Purpose

Consistent with the fiduciary standards governing trust management, the purpose of the *Policy for Sustainable Forests* is to conserve and enhance the natural systems and resources of forested state trust lands managed by the department to produce long-term, sustainable income, and environmental and other benefits for the people of Washington.

1.2.2 **Need**

A review and update of the 1992 Forest Resource Plan is needed to keep pace with the changes shaping current management of forested state trust lands. The Forest Resource Plan was envisioned to be a ten-year document. In 2002, the policies in the plan were extended by the Board of Natural Resources for an additional three years so the department could complete the Western Washington sustainable harvest calculation, which was identified as the first step to revising the Forest Resource Plan. The policies amended through the Final Environmental Impact Statement on Alternatives for Sustainable Forest Management of State Trust Lands in Western Washington have already been analyzed and adopted by the Board of Natural Resources and will be included in the Policy for Sustainable Forests (see Appendix A). The development of the Policy for Sustainable Forests will position the department to effectively and sustainably manage forested state trust lands for the trust beneficiaries and the people of Washington.

1.2.3 Policy Objectives

The policy objectives for the *Policy for Sustainable Forests* are as follows:

- 1. Meet all federal and state laws, including the trust obligations and the contractual commitments of the *Habitat Conservation Plan*.
- 2. Balance trust income, environmental protection and other social benefits from four perspectives: the prudent person doctrine; undivided loyalty to and impartiality among the trust beneficiaries; intergenerational equity; and not foreclosing future options.

- 3. Ensure policies are succinct, relevant and easily understood by the public and department employees.
- 4. Seek productive partnerships that help the department achieve policy objectives.
- 5. Use professional judgment, best available science and sound field forestry to achieve excellence in public stewardship.
- 6. Pursue outcome-based management within a flexible framework.
- 7. Promote active, innovative and sustainable stewardship on as much of the forested land base as possible.
- 8. Identify trust lands that provide special ecological, social or cultural benefits that are incompatible with active management and look for opportunities to protect such areas through creative partnerships and funding mechanisms with appropriate compensation to the trusts.
- 9. Capture existing and future economic opportunities for the beneficiaries from the forest land base by being prudent, innovative and creative.
- 10. Monitor and periodically report to the Board of Natural Resources on the implementation and outcomes of Board of Natural Resources' approved policies.

1.3 Issues Identified Through Scoping

The comments received during scoping from the many interested individuals and stakeholders captured diverse issues, ideas and opinions. These comments and the department's responses were prepared in a summary (see Appendix G). These comments led to the development of policy alternatives which are addressed in the following four major policy categories and subsequent 26 policy subject areas:

Economic Performance

- Financial Diversification
- Financial Assumptions
- Land Classifications

Forest Ecosystem Health & Productivity

- Forest Health
- Wildfire and Catastrophic Loss Prevention
- Genetic Resource
- Special Ecological Features
- Older Forests and Old Growth
- Wildlife Habitat
- Watershed Systems
- Riparian Management Zones
- Wetlands

Social and Cultural Benefits

- Public Access and Recreation
- Cultural Resources
- Visual Management
- Local Economic Vitality

Implementation

- Forest Land Planning
- General Silvicultural Strategy
- Forest Land Transactions
- Roads
- Acquiring Rights of Way
- Granting Rights of Way
- Research
- External Relationships
- SEPA Review
- Implementation, Reporting and Modification

1.4 Summary of Proposal, Alternatives, Impacts and Mitigation Measures by Major Policy Category

Twenty-six policies are proposed for four major policy categories: Economic Performance; Forest Ecosystem Health and Productivity; Social and Cultural Benefits; and Implementation. These policies will ultimately make up the *Policy for Sustainable Forests*.

1.4.1 Economic Performance

Three policy subject areas make up the Economic Performance major policy category. These policy subject areas will provide direction to the department for decisions that directly affect the trust obligation of generating sustainable revenue from the management of forested state trust lands. The alternatives span levels of risk that the Board of Natural Resources is considering in pursuing new markets for forest and other products. They cover the frequency and approach to reviewing financial assumptions, as well as what trust lands are available or deferred from harvest. No probable adverse environmental impacts are identified for this set of policy alternatives. Environmental impacts related to setting an Eastern Washington sustainable harvest level will be considered at the time that the sustainable harvest calculation is undertaken.

1.4.2 Forest Ecosystem Health and Productivity

Nine policy subject areas make up the Forest Ecosystem Health and Productivity major policy category. These policy subject areas will provide direction to the department for management decisions that directly affect the health and productive capacity of forest ecosystems on forested state trust lands. The overall ecological condition of the forest asset directly impacts the economic, ecological and social values that these lands can provide. Each of the environmental elements covered in these policy subject areas is considered integral to the total health of the forest ecosystem. As such, the emphasis is placed on the need to provide landscape-scale mitigation measures over the life of these policies. The mitigation will draw upon the diversity of the forested state trust lands and the relationship between the physical and biological attributes represented in the landscape's ecoregions. This includes mitigation for probable significant adverse environmental impacts to wildlife, older forests and old growth, watersheds, wetlands, special ecological features and the inherent genetic diversity of the forest. Potential threats to the forested trust asset from insects and disease epidemics, wildfire and similar catastrophic events are also mitigated in the range of alternatives being considered, as well as compliance with state and federal law and the *Habitat Conservation Plan*.

1.4.3 Social and Cultural Benefits

Four policy subject areas make up the Social and Cultural Benefits major policy category. These policy subject areas will provide direction to the department for management decisions that directly affect social and cultural benefits derived from forested state trust lands. State law requires the provision for multiple use on forested state trust lands, when consistent with meeting trust obligations and producing sustainable revenue for each trust beneficiary over time. Scenic views are recognized as a substantial benefit to the people of Washington, as well as to visitors. Cultural resources are recognized as a substantial benefit to the state, helping people understand and appreciate the past history and current culture of Washington. In addition, it is understood that department programs can affect local economic vitality. The probable significant adverse environmental impacts and mitigation of impacts to both the natural and built environment are considered within a range of policy alternatives that meet state and federal law and trust objectives. Although significant adverse impacts to the natural environment are not identified from any of the alternatives, the potential risk for significant adverse impacts to public access and recreational opportunities may increase under some of the alternatives.

1.4.4 Implementation

Ten policy subjects make up the Implementation major policy category. These policy subject areas provide direction to the department for implementation of the *Policy for Sustainable Forests* objectives. There are policy alternatives for research; forest land planning; silviculture strategies; roads; land transactions; right of ways; external relationships; environmental review; and implementation, reporting and modification of the *Policy for Sustainable Forests*. These policies will provide a coordinated and comprehensive framework for implementation. Their emphasis is on ensuring efficiency in implementation and correction, when necessary, to achieve the policy objectives and outcomes described in the *Policy for Sustainable Forests*. They focus on landscape-scale approaches to analyze and mitigate potentially significant adverse environmental impacts and target landscape-scale enhancements of the forest asset. Cooperation and coordination with partners is emphasized to ensure stakeholder involvement in department plans and decisions. To mitigate any potential for significant adverse impacts from department activities, the alternatives being considered rely heavily on effective communication at all levels with affected government agencies, Tribes and the public.

1.5 Significant Issues and Environmental Choices Among the Alternatives

The 26 policy subject areas in this Draft EIS are analyzed individually, due to the importance of each of these topics, but they are not all independent of each other. As such, it is imperative to understand the relationships between key policies and the connections between the policy alternatives.

1.5.1 Key Relationships

Roads and Public Access & Recreation

The department relies on roads to access the forests for management activities. Potential adverse environmental impacts are minimized and/or mitigated by the construction techniques, placement and use restrictions on active roads, as well as the closure or removal of inactive roads. The interests of the trusts drive the department's decisions to minimize road miles and road use. The Public Access and Recreation policies direct public access and use of department roads and forested state trust lands. The Roads policy may limit public access and recreation in some areas under a policy objective to "minimize" the road network. The Public Access and Recreation policy may encourage more public access and recreation by aggressively seeking funding or other support through collaboration with others, that will accommodate current or increased public demand. The policy options compliment one another by focusing on the need to stay abreast of impacts resulting from all sources of use and emphasizing mitigation of those throughout the alternatives. Public funding can help mitigate the adverse impacts of public use on forest roads, as well as the adverse impacts to recreational opportunities that are likely to occur from more restrictions.

Financial Diversification, Public Access & Recreation and Roads

Diversification into greater public access and recreational opportunities on or adjacent to forested state trust lands would tend to shift environmental impacts from traditional timber harvest related activities, to those associated with increased public use and recreation. However, under the current range of alternatives analyzed for Public Access and Recreation, proposals to enhance public access and recreation are somewhat limited by the infrastructure needed to achieve trust objectives. In turn, any substantial diversification for producing sustainable revenue to the trust beneficiaries may change the management objectives for roads in the Roads policy subject area. The impact analysis for these types of major policy changes is considered speculative and dependent on yet undetermined potential future market shifts.

General Silvicultural Strategy and Other Policies

A key policy relationship exists between the General Silvicultural Strategy alternatives and several other proposed policies that are implemented through the department's Silviculture Program. The department's silvicultural strategies and treatments are the means for achieving multiple outcomes, e.g., revenue generation, wildlife habitat, forest health, riparian habitat and wildfire prevention. Although silvicultural treatments are prescribed on a site-by-site approach, outcomes are set through other policies and plans that consider the landscape-scale impacts and mitigation measures. Treatments are prescribed to guide the progression of stand development to achieve outcomes and enhance forest structural diversity across the landscape. The moderation of cataclysmic events, such as large wildfires, as a result of silvicultural treatments designed to meet a variety of landscape-scale outcomes is also expected to result in the perpetuation of relatively stable and viable ecosystems. The combination of the policy outcomes described in this Draft EIS and the use of silvicultural strategies to achieve them is

expected to substantially mitigate the risk of significant adverse impacts to the environment.

Forest Land Planning, Watershed Systems and Other Policies

Similar to the relationship between the General Silvicultural Strategy policy subject area and other policies, is the relationship between the Forest Land Planning policy subject area and other policies, including the defining of landscape-scale silvicultural strategies. Forest Land Planning is intended to provide a planning framework that ensures the accomplishment of policy outcomes. As such, the Forest Land Planning policy is procedural in nature. It does not contain substantive standards for the use or modification of the environment. However, the relationship between Forest Land Planning and the Watershed Systems policies is key to understanding the approach for considering cumulative impacts within watershed systems. The Watershed Systems alternatives are specifically designed to identify the cumulative impacts of department activities on watershed systems and provide mitigation when necessary. Linking this approach to Forest Land Planning provides the integration of cumulative impact analysis, required by SEPA, into landscape-scale planning. The flexibility to conduct planning at different scales to address unique circumstances provides additional mitigation to ensure a timely response to chronic or acute cumulative impacts within watershed systems.

1.5.2 Other Major Conclusions

The department's recommended policy alternatives for riparian and wetland protection analyzed in this Draft EIS are designed to fill a critical gap on lands in Eastern Washington. However, the effectiveness of the recommended policies will largely depend on the implementation procedures and guidelines.

Emphasizing landscape-scale objectives over site-specific and species-specific objectives lowers the potential risk of probable significant adverse environmental impacts to wildlife and their habitat on forested state trust lands.

Probable significant adverse visual impacts are primarily mitigated through compliance with other laws and policies, e.g., the general 100-acre harvest size limitation under the recommended alternative for Watershed Systems, leave tree requirements, riparian and wetland protection, forest land planning and SEPA analysis on both project and non-project proposals.

Probable significant adverse environmental impacts to the native tree gene pool on forested state trust lands are mitigated by a program that balances the protection of rare genes with careful management of seed supply. In addition, conservation lands, such as Natural Area Preserves and Natural Resources Conservation Areas, protect the native tree gene pool.

Probable significant adverse environmental impacts to special ecological features are mitigated by considering the contribution of special ecological features in meeting other trust obligations and providing a policy framework that allows for protection through a broader spectrum of strategies.

Probable significant adverse environmental impacts to cultural resources are mitigated by effective communication and promotion of collaboration with the Tribes and interested stakeholders.

Unavoidable Impacts

The probable significant adverse environmental impacts are evaluated and mitigation measures are discussed in this Draft EIS. Some mitigation measures result from the department staff-recommended policy alternatives. Implementation issues are addressed in the Implementation, Reporting and Modification policy subject area. Periodic updates to the Board of Natural Resources, coordinated reporting and the opportunity to review and modify policies when needed are intended to mitigate any probable significant adverse impacts that might occur due to new information or unforeseen circumstances.

1.6 Phased Review

SEPA review is required on proposals for project and non-project actions, such as the *Policy for Sustainable Forests*. The department will be proposing future project and non-project actions related to this *Policy for Sustainable Forests*. Those actions will range from planning to site-specific proposals for management activities, such as the development of recreational sites and timber sales.

Additionally, the department recognizes that other departmental policies and procedures will need to be reviewed as a result of the Board of Natural Resources' adoption of the *Policy for Sustainable Forests*. Once the Board of Natural Resources has adopted these policies, other implementation guidance will be reviewed and amended, created or cancelled where necessary. Procedures and policies that simply implement policies whose impacts are analyzed in this Draft EIS and don't establish new direction or standards resulting in impacts outside the scope of those evaluated in this Draft EIS, will not require a separate SEPA review. Where more specific management parameters are set that were not possible to anticipate at this broad policy level and where the impacts have not been analyzed, subsequent SEPA analysis will be conducted at that time.

The department is also specifically phasing the analysis of an Eastern Washington sustainable harvest calculation, which is anticipated to be completed within the next five years. The role, location and amount of older forests and old growth in Eastern Washington will also be analyzed as part of that process.

1.7 Alternatives Considered, But Not Analyzed

Under SEPA, a "reasonable alternative" is defined as "an action that could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation. Reasonable alternatives may be those over which an agency with jurisdiction has authority to control impacts, either directly or indirectly through requirement of mitigation measures" (WAC 197-11-786). For some policy

subject areas, alternatives were considered, but not included in the detailed analysis, because they did not meet the purpose and need and, therefore, were determined not to be "reasonable."

1.7.1 Unstable Slopes

This policy subject area was removed from the document after analysis showed that current management activities could continue by relying on existing state and federal law and the *Habitat Conservation Plan*, all of which anticipate management activities, such as roads and harvesting, on potentially unstable slopes with proper mitigation. Current management activities range from total avoidance to mitigated activities on potentially unstable slopes.

1.7.2 Wildfire and Catastrophic Loss Prevention

An alternative was considered that stated no policy was needed in the *Policy for Sustainable Forests* with relation to wildfire and catastrophic loss prevention. After further discussion, it was determined that there is a need for continued policy guidance for this policy subject area. Therefore, this alternative was not analyzed in this Draft EIS.

1.7.3 Other Alternatives, Comments and Suggestions

During the initial scoping process for the update of the *Forest Resource Plan*, many comments and suggestions were received from interested stakeholders and the public. The department examined these comments and included many elements of them in the policy subject area discussions and alternatives presented in this Draft EIS.

Other topics were evaluated and considered outside the scope of this proposal. Those topics included speculative costs in financial analysis, management of grazing on forested lands, contract compliance, employee/contractor training and safety, theft protection, biosolids, management in municipal watersheds and forest land conversions. Most of these topics apply to other areas of department planning and policy-setting or areas for which the department believes formal policy choices are not currently necessary.